



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

as money wages; neither have they advanced as much as the prices paid to farmers for live stock. All war-time demands have been met in full and on time. The packing industry is being regulated by the government, its profits are limited, and live stock is being converted into meat and delivered to consumers at the lowest possible cost and profit. The situation is favorable and the outlook for the future is encouraging. Nevertheless, it is necessary to proceed with caution, and to maintain live-stock production at profitable prices. Overseas demands are increasing, and we must be prepared to meet successfully any contingency, such as a poor corn crop, a prolonged drought in the live-stock producing areas, or an epidemic of live-stock disease.

THE WORK OF THE FEDERAL FOOD ADMINISTRATION

BY JAY COOKE,

Federal Food Administrator for Philadelphia County

The Food Administration was created to meet an urgent war need. Just exactly what its work was to be no one clearly foresaw. All did foresee the large part that America's food would play in winning the war, but just what could be done was not known. Neither could any one foresee the type of problem that would arise. To the Food Administration, therefore, was committed the responsibility of meeting situations as they arose.

This paper will endeavor to state what some of these problems were, and how they were met. The examples have been chosen at random from those which have been constantly arising.

Upon our entering the war, the ordinary business forces that make for a fair distribution of products and a fair price for those products were suspended. It became the function of the Food Administration to put into force rulings that would protect the long term interests of producers and consumers. The fundamental principle on which the Food Administration proceeds is reliance upon the will and ability of a democracy to adjust itself to the needs of the nation without autocratic control.

WHEAT, MEAT AND SUGAR

When it became known that wheat must be shipped abroad in ever increasing quantities the government was faced with three alternatives. Inasmuch as a great deal of this wheat must come from the savings of reduced consumption, the Food Administration could have allowed the enormous purchases of the Allies to raise the prices to extreme levels. The wheat would have gone abroad but at the cost of untold suffering among the poorer classes, and consequent disturbance of labor conditions. A system of compulsory rationing was also possible. This would have involved an annual budget of \$40,000,000 to \$50,000,000, and would have been very difficult to administer owing to the wide variation throughout the country in the customs and habits of eating.

The Administration chose the democratic idea, and appealed to the intelligence and patriotism of the people to sacrifice in proportion to their ability. In a Pledge-card Campaign conducted among the housewives of the nation over 10,000,000 women registered themselves as loyally supporting the request of the Food Administration for food conservation by substitution. The result was all that the most optimistic had expected. By June 1 of this year we have sent 140,000,000 bushels of wheat abroad of which 130,000,000 bushels represents the intelligent self-denial of the American people. Gratifying results have also been attained in meat conservation. We are sending abroad each month five times as much pork products as we did in normal times, and twelve times as much beef products. This has been accomplished without inroads upon the herds.

The Food Administration is, first of all, a war organization designed to get food to our Allies, and it is accomplishing this with slight inconvenience to the American people. The legal powers of the Food Administration in regulating the production and distribution of food were strictly limited by Congress, but by voluntary coöperation of producers, manufacturers and dealers the Administration has accomplished without friction more than could have been done by relying solely upon wide legal enforcement.

Last year the war world faced a serious sugar shortage. By the laws of supply and demand the price to the retailer of sugar would have doubtless risen to 25 or 30 cents per lb. Mr. Hoover called the sugar refiners together and presented the case to them. They

voluntarily agreed not to exceed a certain maximum differential between the price of the raw sugar which had been purchased and the finished product. The raw supply of the Cuban crop was then in process of growth. This was bought up at an agreed price which guaranteed a reasonable return to the grower, and the supply was then apportioned among the Allied nations. The sugar refiners have likewise agreed to accept the fixed differential on the new crop, and for the first time in history the price at which sugar sells is of no financial interest to the sugar refiners of the United States under their agreement with the Food Administration. Since the Food Administration has no money to buy sugar as it has been buying wheat through the Grain Corporation, the purchase of the Cuban crop at a stable price was done by private finance coöperating with the government. As every rise of one cent in the price of a pound of sugar means \$18,000,000 out of the consumer's pockets, this performance is no mean accomplishment, especially as it was done in the face of an actual sugar shortage in the war world.

Under the influence of the Food Administration the baking trade has established a special protective service committee which is being organized in every state. The purpose is to put at the disposition of all the bakers in the country the benefits of the experience and knowledge of all in baking wheat substitute breads. The baking trade has, for the period of the war, waived consideration of business advantage and competitive skill. Leading bakers have thrown open their laboratories to their competitors. By conference and mutual aid they are giving the smaller bakers the advantage of their larger experience and trained experts in order that a palatable and wholesome wheat saving bread may be possible for all bake-shops.

The Food Administration is not authorized to fix the retail price of articles to the consumer. At best it can only prevent unreasonable profit or profiteering. Yet in towns all over the country the leading and reputable food vendors meet and determine reasonable prices which are given wide publicity in the newspapers. The public are thus informed as to what is a fair price, and any dealer who takes advantage of special conditions to demand, more immediately brands himself before the public as a profiteer.

WHEAT SUBSTITUTES

Early in this calendar year arose the necessity for saving wheat or our Allies. Mr. Hoover promptly met the requests of our Allies for wheat with the statement that the wheat would be sent to them. But the wheat could be secured for our Allies only by saving. Wheat could be saved only by substituting other foods for it. Hence the fifty-fifty substitute rule.

This ruling came from Washington at a time when all the railroads were more or less congested. Heavy snows had blocked the rail lines in the western part of Pennsylvania and branch lines were entirely closed. The trade was ignorant of the meaning of the law, and was unable to purchase substitutes, especially the kind available at that time. A small class of dealers not in sympathy with the ruling made the enforcement most difficult in some sections.

Substitutes were not available in large quantities, and the experienced housewife, in baking, found the problem very hard. Threats of strikes and riots by unpatriotic dealers, and pro-German propaganda of all kinds conspired to do away with the ruling. The conservation resulting made it possible to send to our Allies the wheat they needed.

To carry out the ruling required a policy of enforcement, first with the baker to see that he is using the correct proportion of substitutes in all his bakery products; second with the wholesale grocer to see that he is selling the correct proportions and quantities of flour, substitutes and sugar; and third with the retailer to see that he, too, is living up to the regulations with regard to flour, substitutes and sugar. The purpose of the fifty-fifty rule was to get wheat for our Allies. That purpose was accomplished.

In addition to these three principal classes of enforcement cases, there are all the other lines of food handlers, who are also licensed and subject to special regulations. The interpretation and enforcement of these regulations has been greatly assisted by the patriotic coöperation of men in the trades regulated.

Under enforcements comes also the question of profiteering. In this, the biggest problem constantly confronting the Administration, is to decide just what is a fair basis of cost and a reasonable margin, not only of profit, but for overhead.

The Food Administration is endeavoring to lay a foundation of constructive work in its enforcement cases, which will be of advan-

tage to the various lines of trade in the future. For example there have been certain bad practices grow up in practically every line of business. It has been the endeavor of the Administration to do away with these through its control over shippers and receivers under the license system. Failure to live up to contract obligations on a declining market is a typical example of the bad practices the Food Administration has discouraged.

A SUPPLY OF ICE

Early in this calendar year it became apparent that the diminishing supply of ammonia was imperilling the supply of artificial ice for the following summer. Two measures were promptly taken by the Food Administration which resulted in a fairly adequate supply of ice at fairly reasonable prices. Local administrators were asked to call upon all who had or could get the facilities to store natural ice. This was followed by efforts to get other substitutes used for ammonia where possible and in all cases to conserve the product. As the summer approached, ice retailers were asked to zone their routes and save for the consumer the costs of duplicated service. A supply of ice fairly adequate to the demand at medium prices is the result.

DISTRIBUTION AND MARKET PROBLEMS

Distribution and market problems have been handled as they have developed and no set line of action covering such problems was projected. Two instances will serve to show the nature of the distribution problems with which the Administration has to deal and the method used in solving these problems.

With the arrival of the fresh fruit and vegetable season, came the question of marketing those perishables which were in grade and appearance such as to prevent their sale to the grocer or the commission man. The curb market proved the solution of this particular difficulty in a number of sections in Pennsylvania. These markets, which were established in about twenty localities, absorbed a considerable amount of food which would not otherwise have reached the consumer.

Any medium which insures increased production and economical distribution, lowers prices to the consumer and conserves food which otherwise surely would waste, is a valuable weapon to use in

winning the war. Whether or not curb markets will survive at the close of the war is a question which must remain unanswered at this time. As a war measure, however, the Pennsylvania curb markets have been effective and they promise even better results as they are expanded and developed.

The truckers and farmers who gave the system a *fair trial* in 1917 indicated their determination to produce to the limit of their ability in 1918. Farmers, who have for years trudged the streets peddling from door to door, frequently carrying home a part of their produce, were able at the curb markets to sell their loads in a few hours, saving themselves and their horses time and labor.

The usual condition of a demand far in excess of the supply brought rather a competition in buying than in selling, which accounts for some complaints of curb market prices. Lower prices to the consumers were not always evident, owing to the fact that the reaction of the curb markets on the grocer and huckster resulted in a general lowering of prices in the towns and cities sustaining curb markets. Of particular interest was the working out of the law of supply and demand in connection with the price obtained on curb markets. Every effort was made to see that the farmer secured a price commensurate with the supply of his produce.

At the curb market the quantity and variety of the display stimulate the buying spirit. The woman who would buy in very limited quantities from the slender display of her grocer or huckster buys heavily at the curb. At the first curb market in Pittsburgh, for instance, 675 two-peck baskets were sold to people who did not intend to buy them when they came to the market.

Results indicate that the curb markets increase the consumption of perishables and thus automatically save a corresponding quantity of staples. They have proved especially advantageous in the sections whose inhabitants are the working class who are the first to feel the pinch of higher food costs. Particular attention has been given to the establishment of curb markets in such industrial centers.

Experience has shown that the fewer the restrictions in connection with curb markets, the better will be the result. The most striking successes were all obtained without special ordinance regulating the markets and with a minimum of rules. The Administration's thought is that it is far better to use up spare energy in

developing a wide-open opportunity rather than to put a fence around it. Farmers in various counties realized as never before the buying power of their home city.

During the war and for sometime thereafter food prices will be high, particularly on meats and staples. Curb markets should continue to be popular through this period, both to the producer of non-standard stuff and to the consumer who is willing to go to market and carry home bargains.

PERISHABLE PRODUCE

The Food Administration of Philadelphia will this summer use every endeavor to keep consumers prices on perishables as low as distribution costs will properly permit in order that the farmers may get as good a market as possible for their products. Notices as to fair prices will be sent to the newspapers as has been done since last summer. Such price bulletins have long been issued by the market masters of European cities. Special educational campaigns as to the food value of leafy vegetables and special price campaigns to move these perishables will be undertaken. This work is based on the assumption that the lower the costs of distribution the larger will be the proportion of consumer's price that gets to the farmer. The benefit thus goes to both the consumer and the farmer and the local buying of local foodstuffs saves transportation.

MARKETING THE POTATO CROP

A peculiar condition confronted the Administration during the fall of 1917 in connection with the marketing of the season's potato crop. Consumers commenced to lay in their winter supplies early. This fact, coupled with the delay on the part of the farmers in getting their potatoes to market, due partly to a feeling that prices would rise as the season advanced and partly to the fact that labor was scarce and other crops besides potatoes had to be harvested, sent the price of potatoes soaring.

It was the feeling of the Food Administration that the high price could not last and that, unless farmers marketed their crops of potatoes in such manner as to strike a fair average for the season, financial disappointment would be the result. With this in mind a special publicity drive was made to encourage farmers to market at least one-third of their crop during the fall with the idea of disposing of the other two-thirds as the season advanced. Because of

labor conditions on the farm and also because of the tendency to hold potatoes for higher prices, much of the crop was still unmarketed with the advent of cold weather. Climatic conditions and transportation difficulties growing out of these conditions were responsible for the failure of potatoes to reach the market in quantity during part of December and all of January and February. Even with the approach of spring and the consequent bettering of transportation facilities, producers failed to send potatoes to the market in any quantity, hoping for some break which would increase the price.

To overcome this condition and in order to bring potatoes on the market in such a way as to insure at least a reasonable price and in turn to encourage as large a planting of potatoes as possible in the spring of 1918, a special potato consumption campaign was launched. Special letters and plans for the conducting of a potato campaign and for a special potato week were sent to the Administration's county organizations. Several field representatives were sent into some of the larger centers to assist and render more effective these local programs. Campaigns were inaugurated by various women's organizations in the state and a special campaign was inaugurated in the public schools.

In addition to the educational measures adopted to secure a larger consumption of potatoes every assistance possible was given in individual cases and communities. In marketing surplus potatoes, growers were referred to reliable dealers in the principal Pennsylvania markets. Where it was possible local outlets were used to absorb potatoes to prevent needless tying up of transportation, and needless freight, labor and commission charges. Counties having a surplus were referred to other sections in which there was a scarcity and in this way the supply throughout the state was largely equalized.

The reports from potato producing centers in the state during the late winter and spring were interesting. In some cases where a large stock was reported it was found upon investigation that a little energy on the part of distributors in calling the potatoes to the attention of the public, stimulated the demand quickly, and this together with the normal, local consumption and the demand for seed stock, completely absorbed the originally reported surplus. In most cases the large surplus reports were found in a measure at least to exist only in the minds of those making the reports.

The fact that in the main both producers and consumers were

satisfied with the prices which prevailed, is proof that the measure adopted was a success. Latest reports also indicate that, while in some sections the planting has been reduced, in other sections it has been slightly increased. The Administration has sought to pass along the word that the man who stayed in the game this year would be doing a wise thing and be rewarded accordingly.

THE PRICE OF MILK

The cost and supply of feed together with the difficulties in obtaining labor brought disheartening conditions to our dairy farmers this past winter. Prices to consumers had to be raised in proportion to the costs to the farmer. In other urban sections Mr. Hoover at the mutual request of farmers and dealers appointed Federal Milk Commissions with power only to recommend prices to producers and consumers.

The Pennsylvania branch of the Food Administration took up the matter under the following principles:

1. That the price to the producer should be determined as usual by conferences between producers and milk buyers.

2. That a representative of the Food Administration would be present at these meetings.

3. That the business of distributing milk would be regarded as a public utility with approach toward zone monopolies.

4. That the spread between the price of milk f. o. b. city and the price of milk to the consumer would be fixed by the Food Administration at a point that would allow a fair profit under a minimum duplication of service.

5. That milk is most economically distributed from the retail wagon and that duplication of service through grocery stores would not be encouraged.

6. That milk was a commodity which should be delivered to the consumer and not one that lends itself to the cash and carry methods, because it has to be delivered at stated times under sanitary and refrigerated conditions.

7. With control over the spread to the dealer the Food Administration would approve but not fix prices to the consumers, and would use this power of approval to make certain that producers' prices were as fair as could be secured under all circumstances.

8. The Food Administration joined heartily in campaigns to increase the consumption of milk.

The difficulty of getting condensed milk and other dairy products exported after January first added tremendously to the problem of getting a fair price for the farmer in this country. Nevertheless the farmers in the districts supplying Philadelphia have since January first received on the average a higher price than have the farmers in any other primary district, while the price to the consumer for bottled pasteurized milk was less than in any other city of any size in the United States.

That the consumer was satisfied with this program was indicated by the fact that the amount of milk now being consumed in the city of Philadelphia is as large at 12 cents as it was at 8 cents per quart. The production of milk has been maintained and the dairy herds have not decreased. All of this has in large part been due to the constructive efforts of the Food Administration.

The illustrations I have given will suffice to show the kind of duty coming before the Food Administration and the way that duty is being met. This résumé, which I give as typical, will indicate clearly that the first concern of the Food Administration is so to mobilize our food energies as to win the war. With this ever in mind the first duty is to maintain and stimulate production. Many have been the attempts to lead the unwary into believing that the Food Administration was not encouraging the farmer. The Food Administration can have no adequate conservation program save only as it has a production program. The two cannot be separated. In fact consumption and production have never been separated and cannot be separated. By following the standards set by normal business forces in normal business times as our guide, making changes as needed to meet war conditions, the Food Administration has created policies that have at once gained the confidence of the consumers, the merchants and the producers of the country.

There has been plenty of food in the country. The problem has been to get some foods used in America that we might send other foods to our Allies. This substitution was called conservation. This substitution program has not discouraged production. Other difficulties such as labor and supplies have made the farmers' problem a difficult one. But his difficulties the farmer met as heroically and as enthusiastically as the consumer met the sacrifice essential in substituting for the food he wants foods he does not like as well, or is not used to, or that cost more. With this spirit food *will* win the war.